



## STATE BOARD OF EQUALIZATION

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BETTY T. YEE  
 First District, San Francisco

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MICHELLE STEEL  
 Third District, Orange County

JEROME E. HORTON  
 Fourth District, Los Angeles

JOHN CHIANG  
 State Controller

CYNTHIA BRIDGES  
 Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**5901 Green Valley Circle, Room 207, Culver City**  
**October 14-15, 2014**

**PRELIMINARY RECORD OF BOARD ACTIONS**

**Tuesday, October 14, 2014**

The following is a preliminary record of Board actions taken at the October 14-15, 2014, Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Rose Smith at (916) 323-9656 or e-mail: [Rose.Smith@boe.ca.gov](mailto:Rose.Smith@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

A. Homeowner and Renter Property Tax Assistance Appeals Hearings  
 There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Appeals Hearings**

B1. Rob Zakir and Raya Zakir, 624832

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	
The Board continued the hearing to the December 2014 meeting in Sacramento.	Ms. Steel	
	Mr. Runner	
	Ms. Yee	
	Mr. Chiang/ Ms. Mandel	

~~B2. Larry G. Dighera, 515547~~

~~B3. Semyon Shekhter and Elena Shekhter, 740750~~

## B4. Neville Bothwell and Ila Bothwell, 713600

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## B5. Tak Development, Inc., 765468

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	No
	Mr. Chiang/ Ms. Mandel	Yes

~~B6. Millennium Dental Technologies, Inc., 747501~~

## B7. Catherine A. Zikakis, 767950

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## B8. Arturo Lopez and Maria D. Lopez, 740943

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**B9. Debra Hackley, 728285**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**C. Sales and Use Tax Appeals Hearings****C1. Mi Kyung Park and V. Young Rok Park, 620616 (AA)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**C2. Sur Trading, Inc., 575609 (FH)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
The Board abated the negligence penalty.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**D. Special Taxes Appeals Hearing**

This item is scheduled for Wednesday, October 15, 2014.

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

**G. Tax Program Nonappearance Matters – Consent****G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 6.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notice Sent – No Response
  1. AA Toro Sushi, Inc., 569629 (EH)
  2. Advanced Inhalation Revolutions, 423633 (AS)
  3. American Pro Corp., 486037 (EA)
  4. AMCC-Alternative Med. Col. Covina, 604797 (AP)
  5. Firoza Bomi Bharucha, 560706 (SO)
  6. ~~Corner House Coffee, LLC, 605968 (GH)~~
  7. Gourgen Dalir, 625176 (AC)
  8. David Joseph Fredette, 531948 (AA)
  9. Alice Y. Huang, 574144 (AA)
  10. Jose H. Jensen, 436807 (AS)
  11. Michael Kenner, 556754 (AS)
  12. Mohammad J. Malekzadeh, 598005 (EH)
  13. Richard Sean McGowan, 437584 (AS)
  14. Alfredo Marroquin and Leticia Salcido, 631017 (AP)
  15. Super Color Digital, LLC, 596137, 795450 (EA)
  16. Trilogynet Corporation, 614080 (AR)
  17. Wide Open Excursions, LLC, 606103 (EA)
- Hearing Notice Sent – Appearance Waived
  18. David Hoang, 715534 (UT)
- Petitions for Release of Seized Property
  19. Ali Mohamed Alkanshanly, 797626 (STF)
  20. Bassam Hamood Mohamed Mohsin, 799447 (STF)
  21. Hassan Tahir Nuru, 794287 (STF)
  22. Harshadkumar Ramnlal Dave and Pragnaben Harshadkumar Dave, 794283 (STF)

**G2. Franchise and Income Tax Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 3.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Decisions

1. CFL, LP, 764609
2. Pedro V. Dating and Simona V. Dating, 764257
3. ~~Frances Diaz, 605995~~
4. Hilario D. Gonzales and Dawn N. Melkus Gonzales, 620569
5. Tsegai Haile and Eden Haile, 711561
6. Paul Hansen, 678002
7. John T. Harding, 712994
8. Neri D. Hernandez A., 785723
9. Andre Jackson, 741548
10. Seshayya Krishnamoorthy, 770932
11. Rose I. Logue, 737052
12. Roderick Keith Long, 727530
13. William MacDonald and Carroll MacDonald, 675505
14. Mostafa Mehrasa, 653287
15. Christina Moreno, 636174
16. Arne Ogaard and Linda Ogaard, 719271
17. Ludino Papa, 623816
18. Penoe, Inc., 785013
19. Lawrence Pizinger and Lillian Pizinger, 764247
20. Helmer Rauda and Beatrix Rauda, 643682
21. Jerome J. Reso III, 631085
22. Aziz Sehorewala, 625443
23. William Tan and Ai-Lin Tsai, 790056
24. Andrew Villena, 624808
25. Todd Wallin and Patricia K. Evans Wallin, 735467
26. Alan H. Young and Britta B. Young, 557067
27. Nikolai A. Zarkevich, 729226

## ➤ Petitions for Rehearing

28. Robert L. Botello and Anselma Botello, 607350
29. Deanna L. Kwan, 601923

G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 2 and 11

- Relief of Penalty/Interest
  1. Main Electric Supply Co., 835515 (AS)
- Denials of Claims for Refund
  2. AMC Showplace Theatres, Inc., 825489 (OH)
  3. Presidio Technology Capital, LLC, 731041 (OH)
  4. Veros Credit, LLC, 623746 (EA)
- Grant-One Day Interest Relief
  5. Gibbs International, Inc., 835520 (AR)
  6. Univar USA, Inc., 838220 (OH)
  7. OC Metals, Inc., 828223 (EA)
  8. J & Z Petroleum, Inc., 835521 (CH)
  9. Sacramento Petroleum, Inc., 838218 (KH)
  10. Miracle Ear, Inc., 835517 (OH)
  11. Seafood Village, Inc., 838226 (AP)
  12. Everett Charles Technologies, LLC, 835516 (AP)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 8 and 23

- Credits and Cancellations
  1. LCI Holdings, Inc., 588294 (OH)
- Refunds
  2. Trojan Petroleum, Inc., 727514 (GH)
  3. Earthgrains Baking Companies, Inc., 758247 (OH)
  4. Bud Antle, Inc., 546995 (GH)
  5. Riverside Community Hospital, 594102 (EH)
  6. American Material Mgt. Allianc, Inc., 630353 (EH)
  7. Varni Brothers Corporation, 826828 (KH)
  8. American Multi-Cinema, Inc., 826235 (OH)
  9. Adtran, Inc., 613005 (OH)
  10. Certainteed Corporation, 743841 (OH)
  11. LCI Holdings, Inc., 794261 (OH)
  12. Chevrolet Motor Division, 827703 (OH)
  13. Mercedes-Benz USA, LLC, 827640 (KH)
  14. Links Unlimited, Inc., 741476 (OH)
  15. Pacificare Health Plan Administrators, Inc., 837823 (EA)
  16. Americredit Financial Service, Inc., 822554 (OH)
  17. Lobel Financial Corporation, 815884 (EA)
  18. Pernod Ricard USA, LLC, 624673 (OH)
  19. Process Displays Company, 801773 (OH)
  20. A-L Financial Corp., 774384 (EA)
  21. Perficient, Inc., 809623 (OH)
  22. AN Luxury Imports of San Diego, 554397 (OH)
  23. AMC Showplace Theatres, Inc., 825489 (OH)
  24. Veros Credit, LLC, 623746 (EA)

## G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

## ➤ Relief of Penalty

1. Star Insurance Company, 836611 (STF) 'CF'

There are no items for the following matters:

G7. Special Taxes Matters – Credits, Cancellations, and Refunds

G8. Property Tax Matters

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

## H. Tax Program Nonappearance Matters – Adjudicatory

## H1. Legal Appeals Matters

## ➤ Cases Heard Not Decided

1. Andrew Steven Roganson, 538417, 737457 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition and claim partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
The Board rescinded its vote of June 25, 2014, removed the failure-to-file penalty, and otherwise adopted staff recommendation.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2. Penryn Lumber Company, 554162 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Petition for Rehearing  
3. Nirvair Corporation, 529714 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- H2. Franchise and Income Tax Matters
- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

#### **I. Tax Program Nonappearance Matters**

- I1. Property Taxes Matters  
There are no items for this matter.
- I2. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1. Patricia Salgado Brito
- 2. Sam Ath Chao
- 3. Gilbert Castillo Martinez
- 4. Bang Le Nguyen
- 5a. Ricardo D. Ramirez
- 5b. Maria E. Ramirez

- I3. Local Tax Reallocation Matters  
There are no items for this matter.

#### **Chief Counsel Matters**

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters



**Administrative Session****N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**N1. Retirement Resolutions**

- Steven Adams
- Karen Berlin
- Paul Erickson
- Coraleen Grace
- Kristie Holton
- Anita S. Joshi

**N2. Proposed Revisions to Compliance Policy and Procedures Manual Chapter 5, *Returns*****O. Adoption of Board Committee Reports and Approval of Committee Actions**  
There are no items for this matter.**P. Other Administrative Matters****P1. Executive Director's Report**

1. CROS Project Update and Actions

There are no items for the following matters:

**P2. Chief Counsel Report****P3. Sales and Use Tax Deputy Director's Report****P4. Property and Special Taxes Deputy Director's Report**

1. Informational report on the 2015 Emergency Telephone Users Surcharge Rate (ETUS)

**P5. Administration Deputy Director's Report**

1. Legislative Budget Change Proposals

There are no items for the following matters:

**P6. Technology Deputy Director's Report****P7. External Affairs Deputy Director's Report****Q. Closed Session**



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**STATE BOARD OF EQUALIZATION MEETING**  
**5901 Green Valley Circle, Room 207, Culver City**  
**October 14-15, 2014**

**PRELIMINARY RECORD OF BOARD ACTIONS**

**Wednesday, October 15, 2014**

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**C. Sales and Use Tax Appeals Hearings**

C3. KNA CHO Corporation, 611137, 658121 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	Yes
The Board ordered that the petition be submitted for decision at the December 2014 meeting in Sacramento, granting the petitioner 20 days to file supporting documents, the Department 20 days to respond, and the Appeals Division 20 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## C4. The Wireless Solution Store, 530773 (FH) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C5. ~~Allied Modular Building Systems, Inc., 506774 (EA)~~C6. ~~Dastigir G. Omar, 609881 (EH)~~

C7. Shri Ranchhod Corporation, 572114 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C8. Eva Marie Tice, 484005 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C9. ~~PCS Wireless, Inc., 572015 (EA)~~

C10. Garo Apo Garabedian, 522650 (AP) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**D. Special Taxes Appeals Hearing**

D1a. Felicia Tawil, 594873 (STF) – Waived Appearance

D1b. Felicia Tawil, 594874 (STF) – Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
The Board directed staff to inform	Mr. Runner	Yes
the taxpayer of the Offer in	Ms. Yee	Yes
Compromise program.	Mr. Chiang/ Ms. Mandel	Yes

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